

**HOUSING ADVISORY BOARD MINUTES**  
**January 28, 2020**  
**Brookline Town Hall – Room 111**  
*(As approved at HAB meeting of February 25, 2020)*

**Members:** Roger Blood, Steve Heikin, Michael Jacobs, Bill Madsen Hardy, Rita McNally, Jennifer Raitt

**Staff:** Virginia, Bullock, Edward Bates, Joe Viola, David Guzman

**Guests:** Pamela McKinney (Financial Consultant), Maria Maffei (Brookline Housing Authority), Brian Goldson (New Atlantic Development), Matthew Littell (Utile)

Roger Blood called the meeting to order at 7:05PM

**1. Approval of minutes from December 17, 2019 HAB meeting**

HAB members **VOTED** unanimously to approve the minutes from the December 17, 2019 meeting.

**2. Presentations, discussion and vote on two alternative offsite options for meeting affordable housing component for independent senior housing & assisted living project proposed for 129 Fisher Ave. (formerly Newbury College)**

Roger stated that the HAB will listen to two teams who will present their proposals to meet the affordable housing component for the Welltower development. After these presentations, the HAB will vote for their preference and provide this information to the Town's Negotiating Subcommittee.

Nancy Heller, Town Select Person and Chair of the Newbury Campus Zoning Committee, noted that her Committee had retained Pam McKinney to conduct a financial feasibility assessment for the Welltower project and requested that the HAB base its recommendation on the affordable housing options for the site within the parameters of that assessment.

Bill Madsen Hardy, a member of the HAB, recused himself from the presentations, discussion and vote on the project due to a potential conflict of interest in that his organization, New Atlantic Development, is providing a proposal to meet the affordable housing requirements associated with the proposed Newbury-Welltower project.

Steve Schwartz, counsel for Welltower, stated that there were originally three options to meet the Inclusionary Zoning options and that option one, which entailed a very small number of on-site affordable units is no longer under consideration which leaves Options 2 and 3 being actively considered by the HAB.

Option 2 would entail the development of eighteen for-sale affordable housing units at 125 Holland Road, part of the Newbury campus adjacent to the main project site. Under this option, Welltower would go into a contract with New Atlantic Development to develop the site.

Option 3 would entail a cash payment by Welltower of \$6.525 million into the Town's Affordable Housing Trust, earmarked for the Brookline Housing Authority

Brian Goldston from New Atlantic Development and Matthew Littell of Utile provided a presentation on the plan for the redevelopment of 125 Holland Rd. into eighteen affordable units. He further explained that the goals of the overall project are to:

- Create 18 affordable one-bedroom homeownership units
- About 700 net sq. feet each
- Maximize efficiency
- Utilize a 1.1:1 parking ratio resulting in a total of twenty parking with spaces to include two visitor spots
- Utilize a maximum of a 0.5 FAR .

Matthew Littell then presented two options for development at the site. Option one would include both renovation of the current building and an addition. Option two would be all new construction. He further explained both options in regards to their layouts and parking plans. He noted that both options will result in efficient buildings, but all new construction will have greater efficiency and affordability.

All new construction would allow six of the units to be sold to residents at 120% AMI while rehabbing with an addition would require six of the units to be sold at 150% AMI. The remaining twelve units will result in similar levels of affordability with six units at 80% AMI and six units at 100% AMI.

HAB members then discussed New Atlantic Development's proposals.

Jennifer Raitt asked how the 0.5 FAR was established. Roger explained that in the initial visioning, members used Olmstead Hill's main building as an example which translated to slightly less than 0.5 FAR and that this level of massing on an existing over-sized single family lot would be a reasonable scale for the neighborhood.

Maria Maffei from the Brookline Housing Authority then presented the BHA's plan for option 3 which would require \$6.525 Million from Welltower to be paid to the Town to support about forty new affordable units at the low-density Col. Floyd property in Coolidge Corner. She explained that this project would fit within the BHA's redevelopment initiative, started in 2015, to add more units to lower density BHA properties. The property currently houses elderly/disabled residents and the best plan for the property would be to demolish 60 obsolete senior walk-up units and rebuild with modern multifamily elevator buildings that would replace the 60 demolish units and add 40-45 net new units at this underutilized site..

Ms. Maffei further explained that based on the as-of-right FAR of 1.5 and a premium of 1.9 FAR for Public benefit Incentives (PBIs) for providing more than 15% affordable housing, the site could house 105 units, which would be 45 more units than currently exist on the site. Currently, the BHA is working with an architectural firm to create schematics for the project.

Ms. Maffei also noted how the project would be funded and stated that in addition to the funds from the Welltower project and other tax credits, hard debt etc., the Department of Housing and Urban Development would also provide a generous Section 8 project-based subsidy for all of the sixty units which will need to be replaced.

The HAB continued discussion on the BHA's proposal and considered parking requirements and also possibly having the BHA apply to the Town as a friendly 40B development. Neil Wishinsky, a member of the Negotiating Subcommittee, added that the affordable housing piece in the larger Newbury-Welltower project is just one part of the overall project and that after continued negotiations, the Town may not receive the affordable units it seeks, should the overall project not be authorized to proceed.

Rebecca Mautner, Town Meeting member, stated that she has professional relationships with both New Atlantic Development and the BHA. She explained that there are advantages to both projects, but that the creation of affordable housing units at 125 Holland Rd. would result in a new project for South Brookline and contribute to better geographical dispersion of affordable housing in the Town. She suggested further that the Colonel Floyd project will most likely happen without the Welltower funds and feels it is too soon to determine if the proposed BHA Col. Floyd project will provide the most efficient use of Town funds.

**Roger Blood MOVED and Steve Heikin SECONDED**

**VOTED: The Select Board-appointed Newbury Campus Zoning Study Committee has asked the Housing Advisory Board (HAB) to offer its advice and recommendations regarding the developers affordable housing contribution within limits that have been identified as financially feasible by the Negotiating Subcommittee pursuant to the analysis of the Town's outside real estate and financial advisor, Pamela McKinney.**

**Although some HAB members believe that the developer contribution under the Town's Inclusionary Zoning Bylaw should be substantially greater, the HAB has evaluated several possible options for optimizing the affordable housing outcome that can be achieved within the constraints of Pam McKinney's analysis and the concurrence of the Town's Negotiating Committee.**

**The HAB has identified two different options, either of which, given the above constraints, would produce an acceptable affordable housing outcome for the Town. (Description and comparison attached)**

**Roger Blood MOVED and Steve Heikin SECONDED**

**VOTE \_4\_ IN FAVOR\_0\_ OPPOSED\_\_ABSTAIN**

Mike Jacobs and Bill Madsen Hardy recused themselves from the vote

**Roger Blood MOVED and Steve Heikin SECONDED**

**VOTED: Option #1**

**Development of 18 affordable for-sale units to be created at 125 Holland Road, adjacent to the Newbury-Welltower project site is the Preferred Option**

**An acceptable second preference is a \$6.525 million restricted contribution to the Town's Housing Trust for creation of 40+ net new affordable rental units at the BHA-owned Col. Floyd apartments site off Marion Street.**

**Option #2**

**A \$6.525 million restricted contribution to the Town's Housing Trust for creation of 40+ net new affordable rental units at the BHA-owned Col. Floyd apartments site off Marion Street is the Preferred Option**

**An acceptable second preference is development of 18 affordable for-sale units at 125 Holland Road adjacent to the Newbury-Welltower project site.**

**2   IN FAVOR OF OPTION #1**

**1   IN FAVOR OF OPTION #2**

**0   OPPOSED TO EITHER OPTION**

**2   ABSTAIN**

**With a vote of 2 to 1, the HAB recommends Option #1—development of 18 affordable condominium units at 125 Holland Road-- to meet the affordable housing requirements for the Welltower project at the former Newbury College site.**

Roger Blood and Mike Jacobs both abstained from the vote. Bill Madsen Hardy recused himself from both the deliberation and the vote on the agenda item.

### **3. Continued discussion of Town's Inclusionary Zoning By-law; report by consultant Pam McKinney**

Pam McKinney, a financial consultant retained by the Housing Advisory Board to create a financial model and analysis of HAB-proposed changes to the Town's Inclusionary Zoning Bylaw, presented her findings to the HAB. She stated that the purpose of her analysis was to review the Town's current Inclusionary Zoning bylaw and subject it to sensitivity testing, while exploring specific scenarios to increase and strengthen the bylaw to capture additional community benefits without discouraging new housing development in Brookline.

She first created a financial feasibility template to test and validate both a rental analysis and an ownership analysis assuming the current 15% requirement according to the bylaw and assuming a deeper subsidy from 80% AMI down to 50% AMI for the rental units and down to 80% AMI for owner-occupied affordable units.

Using this template, she then performed a financial sensitivity analysis by increasing the 15% affordability baseline by increments of 1% up to 20% total, while also testing for various parking requirements, unit sizes etc. She also analyzed the Housing Trust Fund contribution factors for cash payments for smaller projects expanding the current six to fifteen unit project range to four to nineteen units.

She first discussed the sensitivity analysis for the rental model at the current 15% affordability requirement and then raised that level by 1% increments up to a 20% affordability requirement while keeping an aggressive 50% AMI level for affordable units. She stated that after 15% affordability at the 50% AMI level, feasibility in these projects breaks down at levels above 15%. There is an exception for properties which will allow for a shallower level of affordability. She also noted that policy should have clarity and predictability and should not imperil the feasibility of production altogether.

She then presented her findings concerning Housing Trust Fund surcharge factors for onsite affordable condo units of twenty and above. For rental projects, she tested them at 80% and 100% AMI and compared them to prices produced at a 50% AMI baseline. She then converted the price differential between these projects and provided the HAB with her findings.

She also performed a similar test for onsite affordable units in projects of 20+ units by utilizing the sales price and testing them at 100% and 120% AMI and comparing them to prices produced at an 80% AMI baseline. She provided her findings on the appropriate surcharges for these types of projects. This was summarized as follows:

- Rental Models - A surcharge of 4% of Market Price reconciles the difference between 15% at 50% AMI and 15% at 80% AMI
- Rental Models - A surcharge of 6% of Market Price reconciles the difference between 15% at 50% AMI and 15% at 100% AMI
- Ownership Models – A surcharge of 6% of Market Price reconciles the difference between 15% at 80% AMI and 15% at 100% AMI
- Ownership Models – A surcharge of 8% of Market Price reconciles the difference between 15% at 80% AMI and 15% at 100% AMI

She concluded her presentation by discussing Housing Trust Fund contribution factors by comparing the current schedule of payments for projects of 6 to 15 units to a proposed schedule of payments which would apply to projects of 4 to 19 units in size. She noted that the current percentage fee schedule of market and sales prices grows in increments of .75% while the proposed schedule grows in increments of 1%. The proposed computation also eliminates the current \$125,000 per unit offset.

By making these changes, the proposed schedule delivers an indifference point between the onsite and cash option while the top of the proposed fee schedule is at 17% of project value and the new lower end (four units) ( is at 2%. This model will provide the Town significantly more money for the Housing Trust.

Finally, Pam recommended a five-year lookback to evaluate and recalibrate, as needed, the fee schedule to meet emerging market conditions.

Members of the HAB discussed and responded favorably to Ms. McKinney's presentation and recommendations. Roger noted that McKinney's recommendations will be further considered by the HAB at its next meeting.

#### **4. Discussion of developer's request to sell seven affordable condos at 110 Cypress Street (currently being rented to Section 8 households)**

David Guzman from the Department of Planning and Community Development discussed an issue with seven affordable units which were previously created through the Town's Inclusionary Zoning bylaw. These units are owned by RCG; five of the units are located at 110 Cypress (Cypress Lofts) and the remaining two units are located at 74 Kent Street and 77 Linden Street.

David discussed the history of each property and its deed restrictions. He further explained that there are two concerns. One concern is that these units house Section 8 voucher residents who could be displaced when the properties are sold. Also, there is no language in the special permit which outlines the regulations for converting these rental units to home ownership units. David asked the HAB to explore options to remedy these issues and provide the Department of Planning staff with their thoughts. The HAB continued discussion on this topic. Staff will report further, with possible recommendations, at the next HAB meeting.

**The meeting was adjourned at 9:45PM**